

106TH CONGRESS
1ST SESSION

S. 984

To amend the Internal Revenue Code of 1986 to modify the tax credit
for electricity produced from certain renewable resources.

IN THE SENATE OF THE UNITED STATES

MAY 6, 1999

Ms. COLLINS (for herself and Mrs. BOXER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify
the tax credit for electricity produced from certain renewable
resources.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFICATIONS TO CREDIT FOR ELECTRICITY**
4 **PRODUCED FROM RENEWABLE RESOURCES.**

5 (a) QUALIFIED FACILITIES INCLUDE ALL BIOMASS
6 FACILITIES.—

7 (1) IN GENERAL.—Subparagraph (B) of section
8 45(c)(1) of the Internal Revenue Code of 1986 (re-
9 lating to credit for electricity produced from certain
10 renewable resources) is amended to read as follows:

1 “(B) biomass.”

2 (2) BIOMASS DEFINED.—Paragraph (2) of sec-
3 tion 45(c) of such Code is amended to read as fol-
4 lows:

5 “(2) BIOMASS.—The term ‘biomass’ means—

6 “(A) any organic material from a plant
7 which is planted exclusively for purposes of
8 being used at a qualified facility to produce
9 electricity, or

10 “(B) any solid, nonhazardous, cellulosic
11 waste material which is segregated from other
12 waste materials and which is derived from—

13 “(i) any of the following forest-related
14 resources: mill residues, precommercial
15 thinnings, slash, and brush, but not includ-
16 ing old-growth timber,

17 “(ii) waste pallets, crates, and
18 dunnage, manufacturing and construction
19 wood wastes (other than pressure-treated,
20 chemically-treated, or painted wood
21 wastes), and landscape or right-of-way tree
22 trimmings, but not including unsegregated
23 municipal solid waste (garbage),

24 “(iii) agriculture sources, including or-
25 chard tree crops, vineyard, grain, legumes,

1 sugar, and other crop by-products or resi-
 2 dues, or

3 “(iv) poultry waste.”

4 (b) EXTENSION AND MODIFICATION OF PLACED IN
 5 SERVICE RULES.—Paragraph (3) of section 45(c) of the
 6 Internal Revenue Code of 1986 is amended to read as fol-
 7 lows:

8 “(3) QUALIFIED FACILITY.—

9 “(A) WIND FACILITIES.—In the case of a
 10 facility using wind to produce electricity, the
 11 term ‘qualified facility’ means any facility
 12 owned by the taxpayer which is originally
 13 placed in service after December 31, 1993, and
 14 before July 1, 2009.

15 “(B) BIOMASS FACILITIES.—In the case of
 16 a facility using biomass to produce electricity,
 17 the term ‘qualified facility’ means, with respect
 18 to any month, any facility owned or leased by
 19 the taxpayer which is originally placed in serv-
 20 ice before July 1, 2009, if, for such month, bio-
 21 mass comprises not less than 75 percent (on a
 22 Btu basis) of the average monthly fuel input of
 23 the facility for the taxable year which includes
 24 such month.

1 “(C) SPECIAL RULES.—In the case of a
2 qualified facility described in subparagraph
3 (B)—

4 “(i) the 10-year period referred to in
5 subsection (a) shall be treated as beginning
6 not earlier than the date of the enactment
7 of this paragraph, and

8 “(ii) subsection (b)(3) shall not apply
9 to any such facility originally placed in
10 service before January 1, 1997.”

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to electricity produced after the
13 date of the enactment of this Act.

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